

## ARGUMENT IN FAVOR OF MEASURE "U"

For the past decade the City of Eureka ("City") experienced declining revenues due to the increasing *loss of local resources to financially "bailout" the State of California*. The State Legislature fails to recognize that the monies spent at the local level have the greatest impact upon citizens.


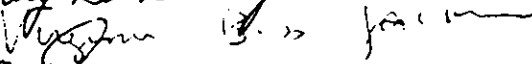
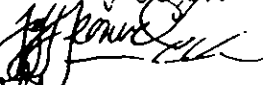


Due in large part to the State fiscal "bailout", the City raised fees, deferred maintenance, depleted reserves, reduced operating budgets, and *in 1994 the City Council enacted a 3% utility users tax on natural gas, electricity, telephone and cable TV services* in order to maintain balanced budgets. This critical source of revenue supports such essential services as police, fire, roads and streets, parks and recreation, and other essential services provided by the City to its citizens.

*In 1997 and 2002, voters of the City of Eureka decided to retain a 3% utility users' tax.* It was a vote to keep our City safe and maintain a quality of life that members of our community expect and deserve. The City must once again seek a **YES** vote to approve this tax. A **YES** vote will simply allow the City to keep in place what it already has, while a loss at the polls will cut General Fund revenues by \$1.4 million annually.

*The City's Finance Advisory Committee has reviewed the City's budget and has recommended the continuance of the utility users' tax through June 30, 2011.* The City will continue to exempt citizens from the utility users' tax who receive low income rate assistance from a gas/electrical corporation, or a universal lifeline service from a telephone corporation.

*The City Council has the option to lower the tax rate.* Should the City experience a "spike" or dramatic increase in Utility Users Tax revenues, the City Council has the option to lower the tax rate for a twelve month period to compensate for this increase.

***SUPPORT CRITICAL LOCAL SERVICES. VOTE YES ON MEASURE "U".***

By: Councilmember Mary Beth Wolford   
Councilmember Virginia Bass-Jackson   
Councilmember Jeff Leonard   
Councilmember Chris Kerrigan   
Councilmember Mike Jones 

### FORM OF STATEMENT TO BE FILED BY AUTHOR(S) OF ARGUMENTS

All arguments concerning measures filed pursuant to Division 9, Chapter 3 (beginning with Section 9200) of the California Elections Code shall be accompanied by the following form statement to be signed by each proponent, and by each author, if different, of the argument:

The undersigned proponent(s) or author(s) of the primary argument in favor of Ballot Measure U relating to extension of the utility users tax at the General Election for the City of Eureka to be held on November 7, 2006 hereby state that the argument is true and correct to the best of their knowledge and belief.

Sign Name

Print Name

Date

Mary Beth Wolford Mary Beth Wolford, Councilmember-Ward 1 6/30/06

Virginia Bass-Jackson Virginia Bass-Jackson, Councilmember-Ward 2 6/30/06

Jeff Leonard Jeff Leonard, Councilmember-Ward 3 6/30/06

Chris Kerrigan Chris Kerrigan, Councilmember-Ward 4 7/6/06

Mike Jones Mike Jones, Councilmember-Ward 5 6/30/06

All authors must print name and sign this form, the argument, and the rebuttal argument (EC 9600, 9283, and 9285).